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Second country cooperation framework for Uganda (2001-2005)

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Introduction

1. The second country cooperation framework (CCF) for Uganda for 2001-2005 has been synchronized with the programming cycles of other key United Nations organizations operating in the country. It is based on national development priorities as outlined in the Government's poverty eradication action plan (PEAP), interim analyses and data compiled for the common country assessment, the findings of the review of the country office undertaken in the first half of 2000 and experience from the implementation of the first CCF (1997-2000). It has taken due cognizance of the country office's strategic results framework (SRF) and its first results-oriented annual report (ROAR) (1999) as well as the Administrator's Business Plans, 2000-2003, submitted to the Executive Board at its first session 2000, all of which provide guidelines to be used in strengthening the results-based and performance-oriented approach to programme management.

I. Development situation from a sustainable human development perspective

2. Uganda is a least developed country with a gross domestic product (GDP) per capita of about $300. Between 1971 and 1986, political instability led to the virtual collapse of Uganda's economy and governance institutions, including the army and the civil service. Since then, the national leadership has striven to reverse this and to promote and institutionalize democratic governance and sound economic management, leading to macroeconomic stability, economic recovery and growth.

3. The current political system seeks to reinforce national unity and people's participation in decision-making through the decentralization process, which has devolved power from the centre to the local governments. The interests of vulnerable groups (youth, women and the disabled) are now articulated at all levels of government, especially parliament, through their representatives. In particular, targeted affirmative action programmes have ensured a higher degree of women's participation in public life, both at the national and local levels.

4. Uganda's economic performance over the last decade has been impressive. From 1990 to 1999, annual GDP growth averaged about 6.5 per cent, and annual inflation was brought down to single digits by 1993. Economic policy reform, particularly the liberalization of the coffee sector, has had an overall positive impact on the economy. The proportion of the population living below the poverty line (i.e., on less than $1 a day) fell from 56 per cent in 1992/1993 to 44 per cent in 1997/1998. Human development as measured by the human development index (HDI) has improved, with the index rising from 0.329 in 1992 to 0.409 in 1998, according to the *Human Development Report 2000*.

5. The Uganda Vision 2025, which represents the country's long-term development vision, identified Uganda's main development challenges as poverty, low human development, and poor governance, especially corruption. Factors trapping segments of the population in poverty include limited access to productive assets especially land, periodic adverse weather conditions, lack of access to markets and declining commodity prices, poor human capital and decades of civil strife. The key indicators of poverty as identified under the Uganda Participatory Poverty Assessment Project (1999) included food deficiency, limited access to productive land, poor access to social services, isolation and insecurity. The assessment showed that given the multidimensional nature of poverty, the traditional welfare indicators did not fully measure progress in human development and underlined the need to utilize quantitative as well as qualitative indicators in policy design and poverty-monitoring. The Government's revised poverty eradication action plan (2000) provides the strategic framework for addressing the challenge of mass poverty and eradication of absolute poverty by 2017. The PEAP document identifies four broad goals: create a framework for economic growth and transformation; ensure good governance and security; increase the ability of the poor to raise their incomes; and increase the quality of life of the poor. Each goal identifies a number of priority intervention areas, and includes basic performance indicators.

6. With a debt burden of about $3 billion, Uganda is highly indebted. However, in 1998 the country became a beneficiary of debt relief under the Highly Indebted Poor Countries (HIPC) initiative and in 2000 qualified for debt relief under the enhanced HIPC. The ensuing

annual savings from both facilities amount to about $40 million and $55 million respectively for the first three years. These are channelled into the Poverty Action Fund (PAF), which, together with government and donor contributions, targets specific poverty eradication programmes, including primary health care, primary education, water and sanitation, rural feeder roads, agricultural extension, microfinance and accountability. Recently, the list was expanded to include the administration of justice, adult literacy, HIV/AIDS prevention and control, wetlands protection and the implementation of the plan for the modernization of agriculture.

7. Internal and external trade hitherto marred by poor marketing and excessive regulations and controls have been liberalized and export incentives introduced. Despite fluctuations in commodity prices, exports increased by 295 per cent from $173 million in 1992/1993 to a peak level of $684 million in 1996/1997 and then declined to $549 million in 1999/2000. Imports increased by 153 per cent from $557 million in 1992/1993 to $1.4 billion in 1997/1998. The overall external balance of payments was projected at a surplus of $108 million by 1999/2000.

8. Uganda is facing a big gap between its domestic savings and investment requirements. While investment is about 18 per cent of GDP, its savings rate is a modest 5 per cent of GDP. To meet its investment requirements and reduce absolute poverty, the country needs to increase its gross savings levels significantly. In the interim, the country will need significant foreign investment flows (including Official Development Assistance (ODA)) to bridge the gap between its low level of savings and its gross investment requirements. With regard to resource mobilization in particular, it is crucial that domestic savings be enhanced.

9. Economic liberalization, deregulation, commercialization and divestiture of State-owned enterprises have provided an enabling environment for private sector development and local entrepreneurship. However, private firms list the high cost and poor delivery of public utilities, high taxes and interest rates and corruption as impediments to investment. A number of initiatives aimed at the removal of bottlenecks to private sector investment have been launched, including in particular the medium-term competitiveness strategy for private sector development (2000).

10. It is important to ensure that Uganda's high growth momentum is rooted in, and makes a significant contribution to, employment and sustainable livelihoods. Gainful employment is the surest way to poverty eradication, particularly for the poor with no access to productive assets. As noted in the national *2000 Uganda Human Development Report*, the thousands of new entrants into the labour market can be a formidable force for self-employment on the land, in cottage industries and other income-generating activities by taking advantage of rural electrification, feeder roads and other untapped resources.

11. The security situation continues to be a major challenge, with insurgency in parts of northern and western Uganda, and cattle rustling in the north-east. A portion of the economic and social infrastructure in these areas has been destroyed and part of the population is internally displaced. Peace and security must be ensured in all parts of the country to enable full exploitation of natural resources and people's participation in the development process. In this regard, effective and expeditious implementation of the Amnesty Act (1999), the strengthening of community institutions to build confidence in the peace-building efforts and the continued integration of both humanitarian and development activities would be helpful.

12. The Government's efforts to build democratic governance and empower people, particularly through the decentralization process, are commendable and should be supported by donors and other development partners. More work still needs to be done to ensure enhanced participation, particularly of women and other vulnerable groups. There is a need to ensure clearer separation of powers between the different organs of government and to continue to build their capacities, particularly those of parliament, in order to enhance a system of checks and balances, transparency and accountability. This also calls for strengthening of other governance institutions, especially the Auditor General's Office, the Inspector General of Government, the Directorate of Public Prosecutions, the Ministry of Ethics and Integrity as well as local authorities, the media, and civil society organizations.

II. Results and lessons of past cooperation

13. Under the first CCF, UNDP resources were largely allocated between two thematic areas, decentralized governance and private sector development. Under the first, UNDP primarily supported capacity development for participatory formulation and management of district development plans and service delivery. A significant component of this thematic area was the district development pilot programme, under which UNDP technical cooperation was combined with United Nations Capital Development Fund (UNCDF) capital assistance to define, test and apply a range of participatory planning, allocation and investment management procedures at the lowest levels of district administration. Additional institutional development support was provided to selected institutions with responsibility for the promotion of democracy and good governance, such as the Uganda Human Rights Commission, the Electoral Commission and the Office of the Inspector General of Government. Under the second thematic area, support was provided mostly for entrepreneurship training, micro-finance development and the general promotion of small-scale enterprises as a means of generating employment and incomes and, by extension, reducing poverty.

14. Additional non-core interventions consistent with the overall direction and strategy of the first CCF included Africa 2000 Network activities, the Global Environment Facility (GEF) large and small grants projects, projects on combating desertification supported by the Office to Combat Desertification and Drought (UNSO), and the Uganda Participatory Poverty Assessment Project. Important partnerships were effected with bilateral and multilateral agencies and civil society organizations supporting similar development programmes. Notably, the partnerships with United Nations organizations, the Government and civil society were useful in the formulation of the common country assessment (CCA). The partnership with United Nations organizations and the Government was instrumental in the formulation of the Health Sector Policy and Investment Plan.

15. Under the thematic area for decentralized governance, the following results are noteworthy. District resource-endowment data and information was compiled on 45 districts and is now being utilized for district development planning, management and monitoring functions. The electoral process has been bolstered through widespread capacity-building for civic education and the strengthening of the Uganda Electoral Commission. The reporting and investigation of rights abuses have improved thanks to the strengthening of the Uganda Human Rights Commission and the Inspectorate of Government. There has been an improved capability of district councils and sub-county local councils to make investment decisions and manage contracts, which has demonstrated the viability of devolving the development budget from the central government to local administrations.

16. Under the thematic area for private sector development, the following results are noteworthy. The capacity of the Uganda National Bureau of Standards to provide product quality assurance services to the private-sector stakeholders and consumers has been enhanced, especially with the completion of three ultramodern metrology and testing laboratories. Eleven district private sector promotion centres were established to provide business skills development and business support services covering the four broad regions of Uganda. Efforts have been made to ensure gender equity in the provision of such services; for instance during the programming period, 4,238 people were trained in business skills, of which 1,270 were women; 120 trainer-counsellors were trained and accredited and 2,670 new micro-enterprises were started; and business advisory services were provided through the promotion centres to about 12,000 micro and small entrepreneurs. A draft policy and regulatory framework for microfinance institutions was prepared with the support of the programme and submitted to the Cabinet. A savings culture has been nurtured in the catchments of the 17 village savings and credit institutions (VSCIs) established through the programme. By September 2000, the VSCIs had mobilized 12,687 shareholders with a share capital of $130,000, net savings of $180,000, and a loan portfolio of $800,000. The Ministry of Education and Sports agreed and approved entrepreneurship curricula for primary and secondary schools, which was developed under the programme. Information for planning and monitoring is now more readily available from the district resource endowment information system (DRIS) and the district resource endowment survey (DREPS) which were undertaken by the programme

and whose national hubs are located in the Uganda Bureau of Statistics.

17. In addition, the Uganda Vision 2025 and the Uganda Participatory Poverty Assessment Project have contributed to the revision of the PEAP by effectively engaging civil society and thereby bringing their voices and aspirations to bear on the result. The development of waste management standards, environmental impact assessment regulations, and effluent discharge standards developed through support to the National Environmental Management Authority enables the country to respond better to the national aspiration for a sustainably managed and clean environment. Also, the development of environmental profiles and state-of-the-environment reports in most of the districts provides a framework for better integration of environment concerns into district development plans. The success of the pilot project "Promoting Farmer Innovations" has had ramifications in the ongoing institutional re-engineering for improved delivery of advisory services in meeting the goals to modernize agriculture. Partnership-building with various development assistance agencies yielded benefits. Special mention can be made of that between UNDP and the Department for International Development (DFID) of the United Kingdom in the context of Micro Save Programme, which strengthened the governance and management structures of the village savings and credit institutions, between UNDP and non-governmental organizations (NGOs) in implementing the civic education programme for the local council elections, a process that attracted substantial cost-sharing from bilateral donors, and that between UNDP and UNCDF, which fostered the synergy between the UNDP decentralized governance initiative at the district level and the UNCDF District Development Programme (DDP) initiative at both the district and lower council level, and between the Danish International Development Agency and DFID, which enabled the district development pilot programme to fine-tune the modalities for devolving the development budget to local governments.

18. The following shortcomings were experienced with the first CCF. The guiding principles and strategy of the CCF were not always systematically captured in the associated programmes and projects. Guidelines for mainstreaming cross-cutting issues and the mechanisms for tracking progress and impact were generally unavailable. In addition, the role of the Government in coordinating the programme could have been stronger from the outset.

19. The following specific lessons were learnt from the first CCF. The conceptual framework of the programme (e.g., inbuilt synergy and the mainstreaming of cross-cutting issues) should be upheld during execution; otherwise, the benefits of both a programme approach and impact are either attenuated or lost. The programme's chain of logic linking initial concept, objectives, expected outputs and activities should be coupled with a deliberate tracking mechanism in order to ensure that results are achieved. The institutional capacity of implementing partners should be ascertained; otherwise, their suboptimal performance impairs programme delivery. A solid baseline situation analysis with adequate monitoring and performance indicators enhances the assessment of programme progress and impact, especially in the context of the SRF. An effective information and communication strategy contributes to image-building and advocacy. Programmes for civic education could have been based on a comprehensive and well-coordinated national programme. These key lessons inform the second CCF and its subsequent programme support and project documents.

III. Objectives, programme areas and expected results

Strategy

20. The CCF for Uganda is consistent with the strategic approaches and priority emphasis on sustainable human development (SHD) and poverty reduction of the United Nations system and of UNDP in particular. Its overall objective is the promotion of good governance for poverty eradication, which was the underlying objective of the first CCF. This objective was deemed valid for the second CCF after due consideration of the reaffirmation of the PEAP as the guiding framework for all national development programmes (May 2000); the analyses carried out by the United Nations system of the country's development challenges and prospects, as captured in the CCA (October 2000); of the key results and lessons from past cooperation identified in the triennial CCF review (March 2000); and taking into consideration what other development partners are doing.

21. Within the context of this overall objective, the second CCF will place greater emphasis on fewer, better focused programmatic interventions, clearer partnership and resource mobilization strategies, a results/outcomes orientation and upstream support for ODA coordination and capacity-building for policy and strategy formulation. The departure point between the first and second CCFs, therefore, is less on the areas of support than in the shift in emphasis towards upstream policy support and advocacy/advisory work, with selected grass-roots pilot interventions.

22. The second CCF will seek to achieve its overall objective through interventions in two programme areas: good governance, with particular emphasis on policy, strategy and institutional development support in the realms of political, economic and administrative governance; and income-generation and sustainable livelihoods, with particular emphasis on tackling poverty directly through the promotion of micro- and small-scale enterprises and raising incomes, food security and the welfare of households and communities through sustainable utilization and conservation of the environment and natural resources. The two programme areas are mutually supportive. They also support the four goals of the revised PEAP (2000) (Economic growth and transformation; good governance and security; increasing ability of the poor to raise their incomes; and improving the quality of life of the poor) and are consistent with the goals and sub-goals of the strategic results framework of the country office (1999). (Goal I: To create an enabling environment for sustainable human development — i.e., to strengthen the capacity of key governance institutions for people-centred development and foster social cohesion; Goal II: To eradicate extreme poverty and reduce substantially overall poverty — i.e., to promote poverty-focused development and reduce vulnerability; protect and regenerate the environment and promote access to natural resource assets on which poor people depend, etc.) The consistency and synergy within and between the proposed interventions under the two sub-programmes in respect of the overall objectives of the CCF will be fully articulated in the subsequent project support documents.

23. Within two programme areas, particular attention will be accorded to three cross-cutting concerns: gender; HIV/AIDS; and environment. Gender concerns will be mainstreamed through an institutionalized process of identifying strategic gender needs that the various programmes will seek to address and carrying out a systematic analysis and measurement of the impact of programme-related activities and decisions on women and men. With respect to HIV/AIDS, UNDP will support advocacy for HIV/AIDS prevention and control and catalytic interventions within the framework of the biennial integrated work plans of the United Nations Joint Programme on HIV/AIDS (UNAIDS). Skills for incorporating environmental issues in the development process and for environmental impact assessment will be provided to district planners. Strategic environmental criteria will be included in the monitoring and evaluation instruments for the two programmes.

A. Promotion and consolidation of good governance

24. Good governance is one of the four main pillars of the PEAP. With the support of UNDP the Government prepared its National Programme for Good Governance, which identifies nine strategic areas for the consolidation of good governance in Uganda: (a) justice, law and order; (b) respect, protection and promotion of human rights and equity; (c) public administration and service delivery; (d) security, peace-building and conflict resolution; (e) transparency and accountability; (f) planning; (g) decentralization; (h) democratization; and (i) public information. With the support of its key development partners, Uganda has already embarked on implementing a number of activities within the context of the nine strategic directions. Key partners in this national endeavour have included Austria, the Danish International Development Agency (DANIDA), the Department for International Development of the United Kingdom, Ireland, Norway, the International Development Agency (SIDA), the United States Agency for International Development (USAID), the European Union, the World Bank and UNDP.

25. To consolidate achievements made during the first CCF in the areas of (a) decentralization and local governance; (b) promotion of transparency and accountability; and (c) promotion of human rights and equity, and given the limited resources available to UNDP, the programme for the promotion and consolidation of good governance will focus on these issues. Capacity-building for Parliament is also a

component of this programme; it is foreseen as a means of strengthening linkages between local governments and the centre and building on the strategic directions identified during the main theme of the Fourth Africa Governance Forum (Uganda, September 2000): The Contribution of the Parliamentary Process in Strengthening Good Governance in Africa. UNDP will also support maintenance of the computerized national inventory on governance and provide training on its management, analysis and use.

26. UNDP support in this sector will be reflected in one programme support document, based on the programme approach, with the following core components:

(a) *Capacity-building for decentralization and local governance*. This component will aim primarily to develop and consolidate innovative approaches to strengthen the capacities of local governments in participatory planning, management and administration, and will be implemented in conjunction with key stakeholders and partners (including civil society organizations (CSOs) and community-based organizations (CBOs) at the centre and in the districts. The component further seeks to assist local governments to address poverty in their areas and to develop and strengthen policies and strategies that are favourable to decentralization. Specifically, the component will consolidate and deepen the successful experience of the District Development Pilot Programme jointly supported by UNDP and UNCDF, which has now been nationally upscaled through the World Bank/International Development Association (IDA) facility under the Local Government Development Programme. This component will provide further support to the Government's efforts to adopt the latter programme as the main framework for financing local governments. Expected results from this joint support of UNDP and UNCDF include: improved policy for local governance and inter-governmental fiscal transfer systems for local governments; improved local government capacities in participatory planning, management and administration to promote local development; and improved partnerships amongst local actors (CBOs, NGOs, private sector and civil society);

(b) *Promotion of transparency and accountability*. This component will aim to enhance the culture and practice of transparency, accountability and integrity in the conduct of public affairs. This will be done primarily through capacity-building for national institutions that promote these two dimensions of good governance. In support of Government Strategy and Plan of Action to Fight Corruption and Build Ethics and Integrity in Public Office (July 2000), particular support will be provided to the Office of the Inspector General of Government, to enhance its capacity to promote and foster strict adherence to the rule of law and principles of natural justice in administration and to eliminate and foster the elimination of corruption. Expected results include: appropriate public dissemination of investigation and monitoring outcomes; increased public participation in and support for, activities of the Inspector General of Government; increased advocacy and service delivery in all parts of Uganda; staff trained in investigative techniques; improved caseload management and disposal; national database on fraud established and improved monitoring and reporting capacity. In addition, capacity-building will be provided on corporate governance;

(c) *Capacity-building for legislatures (national parliament and district councils)*. This component will enhance the substantive capacity of the parliament of Uganda and district councils in the management of national and district affairs, particularly in the development of the legislative and regulatory framework and enabling conditions for good governance and poverty eradication. Building on the outcomes of, and as a follow-up to, the Fourth African Governance Forum, UNDP support will include strengthening legislative oversight, including capacity-building for the effective participation of parliament in the budget process, better understanding of the legislative responsibilities and working with other branches of government and organizations of civil society. Particular support will be provided to enhancing the capacity of women parliamentarians to execute their duties. The key result will include a better-informed and functioning parliament and, by extension, a legislative and regulatory environment that is conducive to good governance and poverty eradication;

(d) *Promotion and protection of human rights and equity*. This component will seek to improve the national understanding of democratic processes and the attendant rights and obligations, highlighting civic, political, economic, cultural and social rights, including gender awareness, and the rights of marginalized groups such as people with disabilities, orphans, illiterates, internally displaced persons and

street people. Special emphasis will be placed on engendering the notion of the rights-based approach to development. The main activities will include civic education and human rights promotion, support to local council courts, and capacity-building for government and non-governmental institutions that promote democracy, human rights and equity. Particular support will be provided to the Uganda Human Rights Commission to enhance its substantive capacity to carry out its mandate, with particular emphasis on human rights education for both civil society and public institutions, especially those with responsibilities for public safety and order, such as the police, military, justice and prison administrations. Support will also be provided to enhance the national capacity to monitor and report on national compliance with the six international human rights conventions to which Uganda is signatory. The key outcome of this component will include improved national institutional capacity for the promotion, protection and observance of human rights, including gender equality, and a better understanding of civic rights and obligations among selected population groups, and a comprehensive and integrated framework for civic education. Strategic partners in this endeavour will include Austria, Norway, the International Labour Organization (ILO), the Office of the United Nations High Commissioner for Human Rights, and the Human Rights Strengthening (HURIST) global programme.

B. Promotion of income generation and sustainable livelihoods

27. Among the many causes of mass poverty in Uganda are low and unpredictable household income flows, lack of access to productive assets, limited employment opportunities, lack of access to social amenities, and environmental degradation. The incidence of poverty is exacerbated by the prevalence of tropical diseases such as malaria and of HIV/AIDS, both of which affect the economically active population through morbidity and death. This programme responds to the two PEAP goals of increasing the ability of the poor to raise their incomes and increasing the quality of life of the poor as key pillars in the national fight against mass poverty. Under this programme area, UNDP interventions will seek to tackle poverty directly through the promotion of micro- and small-scale enterprises and raising the incomes, food security and welfare of households and communities through sustainable utilization and conservation of the environment and natural resources. At the upstream level, UNDP will support national capacity to analyse and monitor poverty in the context of the PEAP.

28. UNDP support will be provided through one programme support document, based on the programme approach, with the following core components:

(a) *Capacity-building for poverty-monitoring.* During the second CCF, UNDP will work with the Government, other development partners and competent CSOs to build national capacity to monitor and report on progress towards the eradication of absolute poverty by 2017 (Commitment 2 of the World Summit on Social Development) in general and in terms of the PEAP. Technical assistance in this respect will be provided to the Poverty Monitoring and Analysis Unit of the Government, the Uganda Bureau of Statistics (District Resource Information System) and the dissemination phase of the Uganda Participatory Poverty Assessment Project. The key result from this intervention will be a strategic framework, including a database and information system, which will enable the Government, CSOs and Uganda's development partners to monitor and report on poverty at the district and national levels, and to monitor and report on the performance of the PEAP in a coordinated and transparent manner;

(b) *Micro-enterprise development.* Building on the successes of the private sector development programme of the first CCF, as identified by the ILO-led evaluation of the programme (2000), this component will focus on promoting and developing potential and existing micro- and small enterprises; supporting policy and regulatory reforms for medium-size enterprises; promoting employment-intensive works in various districts; strengthening existing district private sector promotion centres as business service providers, and providing capacity-building support for the 17 established village savings and credit institutions. This component will primarily target unemployed youth, women, and micro- and small enterprises. Particular emphasis will be placed on fostering the establishment of agro-based micro- and small-scale enterprises, including adding value to natural resources through such activities as eco-tourism, and upgrading the technical skills of entrepreneurs to enhance their innovativeness and

productivity. Given their proven efficiency, the Africa 2000 Network and the GEF/Small Grants Programme will be among those organizations that will be subcontracted as implementing agencies to undertake relevant programme activities. The key results of this intervention will include an operational capacity built in the promotion centres to provide business support and development services; improved legislation, policies, and regulations favourable to micro- and small enterprise development; increased access to and improved delivery of microfinance services to the [illegible] and increased employment opportunities, especially [illegible] the unemployed and the women;

(c) *Medium-size enterprise development*. The programme component will select a group of growth-oriented small and medium-size enterprises, particularly those with export potential, and provide them with a comprehensive and integrated range of services to promote the participation of the private sector in national development. The programme will also facilitate intraregional trade and investment through collaboration with other Enterprise Africa programmes. In this way, the programme will complement the initiatives of the micro-enterprise development component by providing a higher level of programme support into which the small and micro-enterprises can graduate and also by identifying subcontracting opportunities between small and medium-size enterprises and large local companies. In addition, the programme will provide capacity-building support to the Uganda National Bureau of Standards to enable it to meet the product quality requirements of small and medium-size enterprises and also to achieve self sustainability. Co-financing partners for this component will include the Enterprise Africa regional initiative, working through Enterprise Uganda, and the Mediterranean 2000 Initiative funded by Italy and managed by the United Nations Conference on Trade and Development (UNCTAD). The main results of this intervention will be established linkages between SMEs, as well as between SMEs and foreign companies through licensing and franchising arrangements, joint ventures, technology transfer, management, and technical cooperation agreements.

29. *Policy and programme support project*. Over and above the two core programme areas, UNDP will develop a special facility to support important but non-programme-specific initiatives such as analytical work on emerging development issues (in partnership with the World Bank and United Nations organizations), policy dialogue, the monitoring of government compliance with commitments and compacts undertaken at the international conferences of the 1990s, the development of donor partnership principles for the PEAP, the harmonization of the national visioning instruments such as the Uganda Vision 2025, the PEAP and the medium-term expenditure framework. The project will also serve as a bridge between the two programme areas of the second CCF and provide a flexible means for intervention on strategic issues.

30. In general, the policy and programme support project will be utilized in tandem with the joint support for policy and programme development/support for technical services facility and is envisaged as a quick disbursement facility to provide the country office with the flexibility to respond in a timely manner to emerging development issues. In addition, the national human development report will continue to serve as a key instrument of advocacy and policy dialogue and its subject matter will be deliberately tailored to reinforce the thematic areas of the second CCF. Particular emphasis will be given to initiating analytical work and policy dialogue on pro-poor macro policies and strategies through this facility. The main result of this intervention will be a solid analytical and documentary basis for the country office to engage in policy dialogue with the Government and other development partners in advancing the goals of the second CCF and the PEAP. Similarly, it will enable the country office to enhance its advocacy in the promotion of SHD in the country.

IV. Management arrangements

A. Management of the country cooperation framework

31. National execution will remain the preferred modality for the management of UNDP-supported programmes and projects under the second CCF. This will be applied in the broader sense of involving sectoral ministries, national research institutions and NGOs that have proven technical and administrative capacities and can be held fully accountable for resource management and the achievement of results. During the first CCF, the National Execution Unit was not well integrated into the Ministry of Finance,

Planning and Economic Development, the executing agent. This has now been done under the Aid Liaison Department of the Ministry. Special effort will be made to bolster capacity for national execution through research and training, placing particular emphasis on the accountability requirements associated with this modality.

32. To ensure high quality interventions, the Government and UNDP will make regular use of expertise available within the UNDP group of funds and programmes, particularly UNCDF and other United Nations specialized agencies, funds and programmes. In addition, the sharing of relevant experience among developing countries will be encouraged through the modality of technical cooperation among developing countries. National institutions and experts will also be utilized as much as possible through such facilities as the Federation of Ugandan Consultants, and particular provisions will be made to facilitate the utilization of the expertise of non-resident Ugandans through the Transfer of Knowledge Through Expatriate Nationals (TOKTEN) modality. Since selected pilot-type, grassroots-level interventions are envisaged in the second CCF, the role of the United Nations Volunteers and the National Volunteer Scheme will be useful in providing cost-effective expertise at the community level.

B. Programme management

33. Programme management under the second CCF will be guided by the principles of results-based management, and the SRF will be the key instrument for the monitoring of performance and results. The SRF for UNDP Uganda, developed in 1999, will be revised to reflect the enhanced focus and reorientation of the second CCF, and the requisite output and outcome indicators duly developed. The ROAR will be the reporting instrument on progress towards attaining expected results and outcomes while the country office management plan will be the instrument for accountability for results.

34. Policy guidance and oversight for overall performance will be vested in a CCF steering committee, jointly led by Government and UNDP and comprising the key stakeholders of the CCF, namely technical ministries and targeted national and international partners. The CCF will be subject to annual reviews and one external triennial review. At the individual programme and project level, implementation and oversight will be vested in project management committees and project steering committees. Above all, project-level management will be held accountable for the achievement of results, based on prespecified indicators, and for the optimum use of resources. In addition, the country office itself will be reorganized to reflect the orientation of the second CCF. More importantly, the substantive and programme oversight capacities of the office will be revamped considerably through additional resident expertise and a system of thematic clusters to support policy and programme development.

C. Resource mobilization and partnership strategy

35. There will be a two-pronged approach to resource mobilization and strategic partnerships in the second CCF. The first prong entails mobilizing third-party resources and those of the United Nations system and UNDP through the cost sharing mechanism. UNDP corefunding will be utilized as much as possible as seed money to leverage non-core resources. Towards this end, the Government and UNDP have sought to maximize the resource mobilization potential of the second CCF by involving targeted strategic partners early in its formulation. This approach will be extended to the preparation of the individual programme support documents.

36. Under the second pro[illegible], UNDP will seek parallel financing arrangements in support of the objectives and activities identified under the second CCF. In addition, recent nationwide dialogue between Uganda and her development partners have seen increasing interest in the sector-wide approach, budget support and basket-funding modalities to support common objectives in a particular sector. In furtherance of this type of coordinated and synergistic intervention, UNDP will support the development of national sectoral-level frameworks and will participate in their implementation and monitoring to the extent that they support the key objectives and priorities of the PEAP in general and the second CCF in particular.

37. The partnership strategy in pursuit of programme results will have three main elements: (a) ascertaining the effective capacity of implementing partners from the outset; (b) defining a clear division of responsibilities and specification of the key roles

among partners; and (c) ensuring the active involvement of partners in programme monitoring, review and evaluation.

38. *Resident coordinator system*. The programming cycles of the United Nations Development Group (UNDG) organizations in Uganda have been harmonized for the period 2001-2005 in order to foster the effective coordination of operational activities. Collaboration between the organizations will be realized through joint programming and monitoring of programme activities within the context of the common country assessment/United Nations Development Assistance Framework and the UNAIDS Integrated Programme, all of which are based on and are in support of the PEAP. Towards this end, the United Nations Country Team has developed a common database of programmes and projects that will facilitate coordination and the joint monitoring of projects; a lead agency arrangement will form the basis of this collaboration. While donor coordination and the leadership thereof remains the responsibility of the Government, especially in such processes as the Consultative Group, UNDP will continue to provide the necessary leadership and administrative support to the resident coordinator system in Uganda.

Annex

Resource mobilization target table for Uganda (2001-2005)

Source	Amount (In thousands of United States dollars)	Comments
UNDP regular resources		
Estimated carry-over	3 562	Includes carry-over of TRAC 1, TRAC 2 and the earlier AOS allocations.
TRAC 1.1.1	14 608	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.	This range of percentage is presented for initial purpose only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentage will also be subject to availability of resources.
SPPD/STS	730	
Subtotal	**18 900**[a]	
UNDP other resources		
Government cost-sharing	-	
Third-party cost-sharing	1 700	
Funds, trust funds and other	11 546	
	of which:	
GEF	2 675	
UNCDF	8 871	
Subtotal	**13 246**	
Grand total	**32 146**[a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.
Abbreviations: AOS = administrative and operational services; GEF = Global Environment Facility; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignments from the core; UNCDF = United Nations Capital Development Fund.